

SENATE BILL 511

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1999 Regular Session
9r2044
CF 9r2043

By: **Senator Astle**
Introduced and read first time: February 5, 1999
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 29, 1999

CHAPTER _____

1 AN ACT concerning

2 ~~Insurance~~ **Motor Vehicle Rental Companies - Regulation** Authority to Sell
3 or Offer Insurance to Renters

4 FOR the purpose of ~~providing that the insurance laws of the State do not apply to a~~
5 ~~motor vehicle rental company, or the employees or agents of a motor vehicle~~
6 ~~rental company, that offers certain insurance coverage in connection with the~~
7 ~~rental of a motor vehicle if the motor vehicle rental company meets certain~~
8 ~~requirements under certain circumstances; imposing certain certification,~~
9 ~~training, employee compensation, and proof of financial ability requirements on~~
10 ~~a motor vehicle rental company that offers insurance coverage under certain~~
11 ~~circumstances; defining certain terms; and generally relating to the regulation~~
12 ~~of motor vehicle rental companies that offer insurance coverage.~~

13 ~~BY adding to~~
14 ~~Article Insurance~~
15 ~~Section 1-209~~
16 ~~Annotated Code of Maryland~~
17 ~~(1997 Volume and 1998 Supplement)~~

18 altering a certain termination provision relating to the authority of motor
19 vehicle rental companies to sell or offer insurance to renters under certain
20 circumstances; requiring a motor vehicle rental company to hold a special restricted
21 certificate of qualification in order to sell or offer insurance to a renter of a motor
22 vehicle under certain circumstances; requiring the Maryland Insurance
23 Commissioner to issue a special restricted certificate of qualification to a motor
24 vehicle rental company under certain circumstances; requiring a motor vehicle rental
25 company to perform certain duties as a condition to receiving a special restricted
26 certificate of qualification, including making available to a renter of a motor vehicle

1 certain disclosures and providing certain training to employees of the motor vehicle
 2 rental company; establishing the primacy of an insurance policy sold by a motor
 3 vehicle rental company under certain circumstances; authorizing the Commissioner
 4 to suspend, revoke, or refuse to renew a special restricted certificate of qualification
 5 under certain circumstances; authorizing the Commissioner to adopt certain
 6 regulations; defining certain terms; providing for a delayed effective date for certain
 7 provisions of this Act subject to a certain contingency; requiring the Commissioner to
 8 report by a certain time on certain compensation packages; and generally relating to
 9 the authority of motor vehicle rental companies to sell or offer insurance to renters of
 10 motor vehicles.

11 BY repealing and reenacting, with amendments,
 12 Chapter 746 of the Acts of the General Assembly of 1998
 13 Section 3

14 BY adding to
 15 Article - Insurance
 16 Section 10-601 through 10-607, inclusive, to be under the new subtitle "Subtitle
 17 6. Motor Vehicle Rental Companies"
 18 Annotated Code of Maryland
 19 (1997 Volume and 1998 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 21 MARYLAND, That the Laws of Maryland read as follows:

22 **Chapter 746 of the Acts of 1998**

23 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 24 June 1, 1998. It shall remain effective for a period of 1 year AND 7 MONTHS and, at the
 25 end of [May 31, 1999] DECEMBER 31, 1999, with no further action required by the
 26 General Assembly, this Act shall be abrogated and of no further force and effect.

27 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 28 read as follows:

29 **Article - Insurance**

30 ~~1-209.~~

31 ~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~
 32 ~~INDICATED.~~

33 ~~(2) "MOTOR VEHICLE RENTAL COMPANY" MEANS A PERSON THAT IS~~
 34 ~~ENGAGED IN THE BUSINESS OF PROVIDING PRIMARILY PRIVATE PASSENGER MOTOR~~
 35 ~~VEHICLES TO THE PUBLIC UNDER A RENTAL AGREEMENT FOR A PERIOD NOT~~
 36 ~~EXCEEDING 90 DAYS.~~

1 (3) ~~"RENTAL AGREEMENT" MEANS A WRITTEN AGREEMENT THAT~~
2 ~~CONTAINS THE TERMS AND CONDITIONS GOVERNING THE USE OF A RENTAL~~
3 ~~VEHICLE PROVIDED BY A MOTOR VEHICLE RENTAL COMPANY FOR RENTAL OR~~
4 ~~LEASE.~~

5 (4) ~~"RENTER" MEANS A PERSON THAT RENTS A VEHICLE FROM A MOTOR~~
6 ~~VEHICLE RENTAL COMPANY UNDER THE TERMS OF A RENTAL AGREEMENT FOR A~~
7 ~~PERIOD NOT EXCEEDING 90 DAYS.~~

8 (5) ~~"VEHICLE" OR "RENTAL VEHICLE" MEANS A MOTOR VEHICLE:~~

9 (I) ~~OF THE PRIVATE PASSENGER TYPE, INCLUDING A PASSENGER~~
10 ~~VAN, MINIVAN, OR SPORT UTILITY VEHICLE; OR~~

11 (II) ~~OF THE CARGO TYPE, INCLUDING A CARGO VAN, PICKUP~~
12 ~~TRUCK, OR TRUCK WITH A GROSS VEHICLE WEIGHT OF LESS THAN 26,000 POUNDS~~
13 ~~AND WHICH DOES NOT REQUIRE THE OPERATOR TO POSSESS A COMMERCIAL~~
14 ~~DRIVER'S LICENSE.~~

15 ~~(B) SUBJECT TO THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION, THIS~~
16 ~~ARTICLE DOES NOT APPLY TO A MOTOR VEHICLE RENTAL COMPANY, OR THE~~
17 ~~EMPLOYEES OR AGENTS OF A MOTOR VEHICLE RENTAL COMPANY, THAT OFFERS~~
18 ~~INSURANCE COVERAGE AS DESCRIBED IN SUBSECTION (D) OF THIS SECTION.~~

19 ~~(C) IN ORDER TO OFFER INSURANCE COVERAGE AS AUTHORIZED UNDER~~
20 ~~SUBSECTION (B) OF THIS SECTION, A MOTOR VEHICLE RENTAL COMPANY:~~

21 (I) ~~SHALL OBTAIN A CERTIFICATE OF QUALIFICATION TO ACT AS A~~
22 ~~BROKER, HAVE AT LEAST ONE MANAGEMENT EMPLOYEE WHO HAS A CERTIFICATE~~
23 ~~OF QUALIFICATION TO ACT AS A BROKER, OR RETAIN THE SERVICES OF A PERSON~~
24 ~~THAT HAS A CERTIFICATE OF QUALIFICATION TO ACT AS A BROKER;~~

25 (2) ~~SHALL REQUIRE THE PERSON THAT HAS THE CERTIFICATE OF~~
26 ~~QUALIFICATION TO ACT AS A BROKER TO:~~

27 (I) ~~CONDUCT THE TRAINING REQUIRED UNDER ITEM (3) OF THIS~~
28 ~~SUBSECTION; AND~~

29 (II) ~~SUPERVISE THE CONDUCT OF THE EMPLOYEES OF THE MOTOR~~
30 ~~VEHICLE RENTAL COMPANY RELATING TO THE OFFERING OF INSURANCE COVERAGE~~
31 ~~AS AUTHORIZED UNDER THIS SECTION;~~

32 (3) ~~SHALL PROVIDE A PROGRAM OF TRAINING, THE CONTENT AND THE~~
33 ~~DURATION OF WHICH SHALL BE APPROVED BY THE COMMISSIONER, TO EACH~~
34 ~~EMPLOYEE WHOSE PRIMARY FUNCTION IS TO RENT VEHICLES TO THE PUBLIC AND~~
35 ~~TO OFFER INSURANCE COVERAGE AS AUTHORIZED UNDER THIS SECTION;~~

36 (4) ~~MAY NOT PERMIT DIRECT COMPENSATION OR PAYMENT TO ITS~~
37 ~~EMPLOYEES BY AN INSURER OR RENTER RELATING TO THE SALE OF INSURANCE~~
38 ~~COVERAGE AS AUTHORIZED UNDER THIS SECTION; AND~~

1 (5) SHALL:

2 (I) OBTAIN A MASTER POLICY OF INSURANCE FROM AN
3 AUTHORIZED INSURER; OR

4 (II) PROVIDE EVIDENCE, IN A FORM ACCEPTABLE TO THE
5 COMMISSIONER, OF THE MOTOR VEHICLE RENTAL COMPANY'S ABILITY TO FULFILL
6 ITS FINANCIAL OBLIGATIONS UNDER ITS RENTAL AGREEMENTS.

7 (D) A MOTOR VEHICLE RENTAL COMPANY MAY OFFER ANY OF THE
8 FOLLOWING INSURANCE PRODUCTS IN CONNECTION WITH THE RENTAL OF
9 VEHICLES AT THE RENTAL OFFICES OF THE MOTOR VEHICLE RENTAL COMPANY OR
10 BY PRESELECTION OF COVERAGE IN MASTER, CORPORATE, GROUP RENTAL, OR
11 INDIVIDUAL AGREEMENTS:

12 (1) PERSONAL ACCIDENT INSURANCE, INCLUDING ACCIDENT AND
13 HEALTH INSURANCE THAT:

14 (I) COVERS THE RISKS OF TRAVEL; AND

15 (II) PROVIDES COVERAGE TO RENTERS AND OTHER RENTAL
16 VEHICLE OCCUPANTS FOR ACCIDENTAL DEATH OR DISMEMBERMENT AND FOR
17 MEDICAL EXPENSES RESULTING FROM AN ACCIDENT THAT OCCURS DURING THE
18 TERM OF THE RENTAL AGREEMENT;

19 (2) LIABILITY INSURANCE, INCLUDING AT THE SOLE OPTION OF THE
20 MOTOR VEHICLE RENTAL COMPANY, UNINSURED MOTORIST COVERAGE, WHETHER
21 OFFERED SEPARATELY OR IN COMBINATION WITH OTHER LIABILITY INSURANCE,
22 THAT PROVIDES COVERAGE TO RENTERS AND OTHER AUTHORIZED DRIVERS OF
23 RENTAL VEHICLES FOR LIABILITY ARISING FROM THE OPERATION OF THE RENTAL
24 VEHICLE;

25 (3) PERSONAL EFFECTS INSURANCE THAT PROVIDES COVERAGE TO
26 RENTERS AND OTHER RENTAL VEHICLE OCCUPANTS FOR THE LOSS OF, OR DAMAGE
27 TO, PERSONAL EFFECTS THAT OCCURS DURING THE TERM OF THE RENTAL
28 AGREEMENT;

29 (4) ROADSIDE ASSISTANCE AND EMERGENCY SICKNESS PROTECTION
30 PROGRAMS; AND

31 (5) ANY OTHER TRAVEL OR MOTOR VEHICLE RELATED COVERAGE THAT
32 A MOTOR VEHICLE RENTAL COMPANY OFFERS IN CONNECTION WITH AND
33 INCIDENTAL TO THE RENTAL OF VEHICLES.

34 (E) THE PROVISIONS OF THIS SECTION MAY NOT BE INTERPRETED TO
35 PREVENT A MOTOR VEHICLE RENTAL COMPANY FROM PROVIDING INCENTIVE
36 COMPENSATION TO AN EMPLOYEE, WHOSE PRIMARY FUNCTION IS TO RENT
37 VEHICLES TO THE PUBLIC AND TO OFFER INSURANCE PRODUCTS AS AUTHORIZED
38 UNDER THIS SECTION, BASED ON THE EMPLOYEE'S PERFORMANCE.

SUBTITLE 6. MOTOR VEHICLE RENTAL COMPANIES.

2 10-601.

3 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

5 (B) "MOTOR VEHICLE RENTAL COMPANY" MEANS ANY PERSON THAT IS IN THE
6 BUSINESS OF PROVIDING MOTOR VEHICLES TO THE PUBLIC UNDER A RENTAL
7 AGREEMENT FOR A PERIOD OF 180 DAYS OR LESS.

8 (C) "RENTAL AGREEMENT" MEANS ANY WRITTEN AGREEMENT CONTAINING
9 THE TERMS AND CONDITIONS THAT GOVERN THE USE OF A VEHICLE PROVIDED BY A
10 MOTOR VEHICLE RENTAL COMPANY UNDER THE PROVISIONS OF TITLE 18 OF THE
11 TRANSPORTATION ARTICLE.

12 (D) "RENTER" MEANS ANY PERSON OBTAINING THE USE OF A VEHICLE FROM
13 A MOTOR VEHICLE RENTAL COMPANY UNDER THE TERMS OF A RENTAL
14 AGREEMENT.

15 (E) "VEHICLE" MEANS A MOTOR VEHICLE:

16 (1) OF THE PRIVATE PASSENGER TYPE, INCLUDING PASSENGER VANS,
17 MINIVANS, AND SPORT UTILITY VEHICLES; OR

18 (2) OF THE CARGO TYPE, INCLUDING CARGO VANS, PICKUP TRUCKS,
19 AND TRUCKS THAT DO NOT REQUIRE THE OPERATOR TO POSSESS A COMMERCIAL
20 DRIVER'S LICENSE.

21 10-602.

22 (A) A MOTOR VEHICLE RENTAL COMPANY SHALL HOLD A SPECIAL
23 RESTRICTED CERTIFICATE OF QUALIFICATION BEFORE THE COMPANY OR ITS
24 EMPLOYEES MAY SELL OR OFFER ANY POLICIES OF INSURANCE IN THIS STATE TO A
25 RENTER IN CONNECTION WITH AND INCIDENTAL TO A RENTAL AGREEMENT.

26 (B) A SPECIAL RESTRICTED CERTIFICATE OF QUALIFICATION ISSUED UNDER
27 THIS SUBTITLE SHALL ALSO AUTHORIZE ANY SALARIED OR HOURLY EMPLOYEE OF
28 THE MOTOR VEHICLE RENTAL COMPANY WHO IS TRAINED, UNDER § 10-604(A)(4) OF
29 THIS SUBTITLE, TO ACT ON BEHALF OF, AND UNDER THE SUPERVISION OF, A MOTOR
30 VEHICLE RENTAL COMPANY, WITH RESPECT TO THE KINDS OF INSURANCE
31 SPECIFIED IN § 10-604(B)(2) OF THIS SUBTITLE.

32 (C) THE ACTS OF AN EMPLOYEE OFFERING OR SELLING INSURANCE
33 COVERAGE ON BEHALF OF A MOTOR VEHICLE RENTAL COMPANY SHALL BE DEEMED
34 THE ACTS OF THE MOTOR VEHICLE RENTAL COMPANY FOR THE PURPOSES OF THIS
35 SUBTITLE.

36 (D) A MOTOR VEHICLE RENTAL COMPANY HOLDING A SPECIAL RESTRICTED
37 CERTIFICATE OF QUALIFICATION ISSUED UNDER THIS SUBTITLE IS NOT REQUIRED

1 TO TREAT PREMIUMS COLLECTED FROM A RENTER THAT PURCHASED INSURANCE
2 FROM THE MOTOR VEHICLE RENTAL COMPANY AS FUNDS RECEIVED IN A FIDUCIARY
3 CAPACITY IF:

4 (1) THE INSURER REPRESENTED BY THE MOTOR VEHICLE RENTAL
5 COMPANY HAS CONSENTED IN A WRITTEN AGREEMENT, SIGNED BY AN OFFICER OF
6 THE INSURER, THAT THE PREMIUMS DO NOT NEED TO BE SEGREGATED FROM OTHER
7 FUNDS RECEIVED BY THE MOTOR VEHICLE RENTAL COMPANY IN CONNECTION WITH
8 THE VEHICLE RENTAL; AND

9 (2) THE CHARGES FOR INSURANCE COVERAGE ARE ITEMIZED BUT NOT
10 BILLED TO THE RENTER SEPARATELY FROM THE CHARGES FOR THE VEHICLE
11 RENTAL.

12 10-603.

13 (A) THE COMMISSIONER SHALL ISSUE TO A MOTOR VEHICLE RENTAL
14 COMPANY, OR A FRANCHISEE OF A MOTOR VEHICLE RENTAL COMPANY, A SPECIAL
15 RESTRICTED CERTIFICATE OF QUALIFICATION AUTHORIZING THE MOTOR VEHICLE
16 RENTAL COMPANY TO OFFER OR SELL INSURANCE IN CONNECTION WITH, AND
17 INCIDENTAL TO, THE RENTAL OF A VEHICLE IF THE MOTOR VEHICLE RENTAL
18 COMPANY:

19 (1) MEETS THE REQUIREMENTS OF § 10-604 OF THIS SUBTITLE;

20 (2) PAYS THE FEES FOR AGENTS REQUIRED UNDER § 2-112 OF THIS
21 ARTICLE THAT ARE APPLICABLE TO A CERTIFICATE OF QUALIFICATION; AND

22 (3) SUBMITS TO THE COMMISSIONER ANY ADDITIONAL INFORMATION
23 OR DOCUMENTATION THAT THE COMMISSIONER REQUIRES, INCLUDING ANY
24 INFORMATION OR DOCUMENTATION TO DETERMINE THE PROFESSIONAL
25 COMPETENCE, GOOD CHARACTER, AND TRUSTWORTHINESS OF THE MOTOR VEHICLE
26 RENTAL COMPANY.

27 (B) A SPECIAL RESTRICTED CERTIFICATE OF QUALIFICATION ISSUED UNDER
28 THIS SUBTITLE IS SUBJECT TO THE SAME TERM AND RENEWAL CONDITIONS
29 SPECIFIED FOR A CERTIFICATE OF QUALIFICATION UNDER § 10-115 OF THIS TITLE.

30 10-604.

31 (A) A SPECIAL RESTRICTED CERTIFICATE OF QUALIFICATION ISSUED UNDER
32 THIS SUBTITLE AUTHORIZES THE MOTOR VEHICLE RENTAL COMPANY TO OFFER OR
33 SELL, IN CONNECTION WITH, AND INCIDENTAL TO, A MOTOR VEHICLE RENTAL
34 AGREEMENT IN WHICH THE RENTAL PERIOD DOES NOT EXCEED 30 DAYS, THE
35 INSURANCE PRODUCTS SPECIFIED IN PARAGRAPH (B) OF THIS SECTION IF:

36 (1) THE POLICIES HAVE BEEN FILED WITH AND APPROVED BY THE
37 COMMISSIONER;

1 (2) THE MOTOR VEHICLE RENTAL COMPANY HOLDS AN APPOINTMENT
2 WITH EACH AUTHORIZED INSURER, UNDER § 10-118(A) OF THIS TITLE, THAT THE
3 MOTOR VEHICLE RENTAL COMPANY INTENDS TO REPRESENT;

4 (3) PRIOR TO COMPLETION OF THE RENTAL TRANSACTION, THE MOTOR
5 VEHICLE RENTAL COMPANY PROVIDES TO THE RENTER DISCLOSURES APPROVED BY
6 THE COMMISSIONER THAT:

7 (I) SUMMARIZE, CLEARLY AND CORRECTLY, THE MATERIAL TERMS
8 OF COVERAGE, INCLUDING LIMITATIONS OR EXCLUSIONS;

9 (II) IDENTIFY THE AUTHORIZED INSURER OR INSURERS;

10 (III) SPECIFY THAT THE POLICIES OFFERED BY THE MOTOR
11 VEHICLE RENTAL COMPANY MAY PROVIDE A DUPLICATION OF COVERAGE ALREADY
12 PROVIDED BY A RENTER'S PERSONAL AUTOMOBILE INSURANCE POLICY,
13 HOMEOWNER'S INSURANCE POLICY, PERSONAL LIABILITY INSURANCE POLICY, OR
14 OTHER SOURCE OF COVERAGE;

15 (IV) SPECIFY THAT THE PURCHASE OF THE COVERAGES OFFERED
16 BY THE MOTOR VEHICLE RENTAL COMPANY IS NOT REQUIRED IN ORDER FOR THE
17 RENTER TO RENT A VEHICLE;

18 (V) DESCRIBE THE PROCESS BY WHICH THE RENTER CAN FILE A
19 CLAIM; AND

20 (VI) SPECIFY THAT ANY EXCESS LIABILITY COVERAGE PURCHASED
21 BY THE RENTER MAY DUPLICATE COVERAGE REQUIRED TO BE PROVIDED UNDER §
22 18-102(A)(2) OF THE TRANSPORTATION ARTICLE; AND

23 (4) THE MOTOR VEHICLE RENTAL COMPANY PROVIDES A TRAINING
24 PROGRAM, APPROVED BY THE INSURANCE COMMISSIONER, FOR ANY EMPLOYEE
25 WHO OFFERS, SELLS, SOLICITS, OR PROCURES INSURANCE COVERAGE UNDER THIS
26 SUBTITLE THAT INCLUDES:

27 (I) INSTRUCTION ABOUT THE KINDS OF INSURANCE SPECIFIED IN
28 SUBSECTION (B) OF THIS SECTION THAT CAN BE OFFERED TO RENTERS;

29 (II) INSTRUCTION THAT THE TRAINEE SHALL INFORM A RENTER
30 THAT THE PURCHASE OF ANY INSURANCE FROM THE MOTOR VEHICLE RENTAL
31 COMPANY IS NOT REQUIRED IN ORDER FOR THE RENTER TO RENT A VEHICLE; AND

32 (III) INSTRUCTION THAT THE TRAINEE SHALL INFORM A RENTER
33 THAT THE RENTER MAY HAVE INSURANCE POLICIES THAT ALREADY PROVIDE THE
34 COVERAGE BEING OFFERED BY THE MOTOR VEHICLE RENTAL COMPANY.

35 (B) A SPECIAL RESTRICTED CERTIFICATE OF QUALIFICATION ISSUED UNDER
36 THIS SUBTITLE AUTHORIZES THE MOTOR VEHICLE RENTAL COMPANY TO OFFER OR
37 SELL INSURANCE POLICIES UNDER THIS SUBTITLE THAT ARE;

1 (1) IN EXCESS OF OR OPTIONAL TO THE COVERAGES REQUIRED TO BE
2 PROVIDED BY THE MOTOR VEHICLE RENTAL COMPANY UNDER TITLE 17 OF THE
3 TRANSPORTATION ARTICLE AND ANY RELATED REGULATIONS; AND

4 (2) ONE OF THE FOLLOWING KINDS OF INSURANCE:

5 (I) BODILY INJURY LIABILITY;

6 (II) PROPERTY DAMAGE LIABILITY;

7 (III) UNINSURED MOTORIST INSURANCE; OR

8 (IV) IF APPROVED BY THE COMMISSIONER, ANY OTHER INSURANCE
9 COVERAGE THAT IS APPROPRIATE IN CONNECTION WITH THE RENTAL OF A MOTOR
10 VEHICLE.

11 10-605.

12 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AN
13 INSURANCE POLICY SOLD IN CONNECTION WITH, AND INCIDENTAL TO, THE RENTAL
14 OF A VEHICLE UNDER THE PROVISIONS OF THIS SUBTITLE IS PRIMARY TO ANY
15 OTHER VALID AND COLLECTIBLE COVERAGE.

16 (B) ANY INSURANCE SOLD TO A RENTER UNDER THE PROVISIONS OF THIS
17 SUBTITLE IS NOT PRIMARY TO THE COVERAGES PROVIDED BY THE MOTOR VEHICLE
18 RENTAL COMPANY ON THE RENTAL VEHICLE UNDER § 17-103(B) OF THE
19 TRANSPORTATION ARTICLE.

20 10-606.

21 (A) THE COMMISSIONER MAY SUSPEND, REVOKE, OR REFUSE TO RENEW A
22 SPECIAL RESTRICTED CERTIFICATE OF QUALIFICATION ISSUED UNDER THIS
23 SUBTITLE AFTER NOTICE AND OPPORTUNITY FOR A HEARING UNDER TITLE 2,
24 SUBTITLE 2 OF THIS ARTICLE IF THE MOTOR VEHICLE RENTAL COMPANY OR AN
25 EMPLOYEE OF THE MOTOR VEHICLE RENTAL COMPANY HAS:

26 (1) WILLFULLY VIOLATED THIS ARTICLE OR ANOTHER LAW OF THE
27 STATE THAT RELATES TO INSURANCE;

28 (2) OPERATED WITHOUT A SPECIAL RESTRICTED CERTIFICATE OF
29 QUALIFICATION AS REQUIRED UNDER THIS SUBTITLE;

30 (3) FAILED TO PROVIDE REQUIRED DISCLOSURES;

31 (4) OFFERED OR SOLD UNAPPROVED INSURANCE PRODUCTS;

32 (5) FAILED TO HOLD AN APPOINTMENT WITH THE INSURER;

33 (6) FAILED TO TRAIN EMPLOYEES OFFERING OR SELLING INSURANCE
34 PRODUCTS ON BEHALF OF THE MOTOR VEHICLE RENTAL COMPANY; OR

1 (7) MISREPRESENTED PERTINENT FACTS OR POLICY PROVISIONS THAT
2 RELATE TO THE COVERAGE OFFERED OR SOLD PURSUANT TO THIS SUBTITLE.

3 (B) A MOTOR VEHICLE RENTAL COMPANY AND ITS EMPLOYEES MAY NOT
4 ADVERTISE, REPRESENT, OR OTHERWISE HOLD ITSELF OUT AS AN AUTHORIZED
5 INSURER, OR AS AN INSURANCE AGENT OR INSURANCE BROKER, FOR ANY KIND OR
6 SUBDIVISION OF INSURANCE.

7 (C) INSTEAD OF, OR IN ADDITION TO, SUSPENDING OR REVOKING THE
8 SPECIAL RESTRICTED CERTIFICATE OF QUALIFICATION, THE COMMISSIONER MAY:

9 (1) IMPOSE ON THE MOTOR VEHICLE RENTAL COMPANY A PENALTY OF
10 NOT LESS THAN \$100 BUT NOT MORE THAN \$2,500 FOR EACH VIOLATION OF THIS
11 SUBTITLE; AND

12 (2) REQUIRE THAT RESTITUTION BE MADE TO ANY PERSON WHO HAS
13 SUFFERED FINANCIAL INJURY BECAUSE OF THE VIOLATION OF THIS ARTICLE.

14 10-607.

15 THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THE
16 PROVISIONS OF THIS SUBTITLE, INCLUDING REGULATIONS CONCERNING THE FORM
17 AND CONTENT OF REQUIRED DISCLOSURES TO RENTERS, THE TRAINING
18 REQUIREMENTS FOR EMPLOYEES OF MOTOR VEHICLE RENTAL COMPANIES, AND
19 THE QUALIFICATIONS OF THE INDIVIDUALS WHO PROVIDE EMPLOYEE TRAINING.

20 SECTION 3. AND BE IT FURTHER ENACTED, That the Insurance
21 Commissioner shall report, subject to § 2-1246 of the State Government Article, to
22 the Senate Finance Committee and the House Economic Matters Committee on or
23 before February 15, 2002 on the types of employee compensation and incentive
24 packages used by motor vehicle rental companies, during the first 2 years following
25 the enactment of this Act, when employees sell or offer policies of insurance to renters
26 in connection with and incidental to a rental agreement as authorized under Section
27 2 of this Act.

28 SECTION 2-4. AND BE IT FURTHER ENACTED, That, except as provided in
29 Section 5 of this Act, this Act shall take effect June 1, 1999.

30 SECTION 5. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this
31 Act shall take effect January 1, 2000, contingent on the termination of § 10-601 of the
32 Insurance Article as enacted by Chapter 746 of the Acts of the General Assembly of
33 1998 and amended by Section 1 of this Act, and if that termination of § 10-601 of the
34 Insurance Article does not become effective, Sections 2 and 3 of this Act shall be null
35 and void without the necessity of further action by the General Assembly. The
36 provisions of Section 2 of this Act shall be applicable to insurance policies offered or
37 sold to renters of motor vehicles, and to the acts of motor vehicle rental companies
38 and their employees occurring on or after January 1, 2000.

